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Cy to [redacted] 5-25

INTELLIGENCE COMMUNITY STAFF
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20 May 1977

NOTE FOR: D/DCI/IC
AD/DCI/IC 25X1A
EO/ICS
SA-D/DCI/IC [redacted]
✓D/OPBD
D/OPP

Here is a first cut write-up
of PRM-11 Task 3 Options for amending
E.O. 11905. Please get me any
comments you have to make by COB,
Tuesday, 24 May 1977.

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Attached:
As Stated

Bill
added some notes
to Bill [redacted] use the
may be of use to PRM 11
tomorrow.
the [redacted] [redacted]

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A. The Present Community Structure and E.O. 11905

One basic option is to accept the present structure of the Intelligence Community and the management arrangements set out in E.O. 11905 essentially unchanged. This course is reasonable if one believes:

-- Present arrangements provide the right balance between central and distributed authority in the Community;

-- The present collegial process of resource management at the Community level offers an acceptable means of maintaining the responsiveness of the Community to several major consumers at the national and departmental levels, while achieving reasonable efficiency in the allocation of intelligence resources;

-- The performance of the Community under the present management system can improve substantially as its procedures become more familiar and its participants more experienced.

If the status quo is, in the main, acceptable, there is merit, nevertheless, in amending E.O. 11905 in several aspects ^{to clarify} relating ^{of} to Community management (restrictions on intelligence operations are considered elsewhere):

-- Membership of the State Department on the PRC(I) must be provided for ^{assuming it is concluded that State} ~~memberships are needed~~ ^{re means desirable.}

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-- It should be made clear that the PRC(I) is responsible for developing policy on intelligence resource allocations and management; the DCI develops and issues policy, requirements, and priorities relating to national intelligence collection and production, under the guidance of the NSC, and with the advice of NFIB or such supporting mechanisms as he may create.

take out unnecessary
It should be stipulated in the Executive Order and any follow-on legislation that the DCI and members of the PRC(I) *1-2 staff* may size and configure their staff support for fulfilling *with staff* their PRC(I) responsibilities in the manner they deem most *for PRC (I)* appropriate, subject to normal OMB and Congressional review of relevant personnel and funding levels. Thus, the Secretary of Defense, for example, should have reasonable latitude in dividing or centralizing DOD intelligence resource review and management responsibilities within the OSD staff. Similarly, the DCI should have reasonable freedom to choose what he deems the most effective way to staff his Community responsibilities, e.g., his NIO and IC Staffs, *(in relation to CIA management.)*

One year's experience under E.O. 11905 indicates that the order's specific provisions for reaching program and budget decisions require clarification. Otherwise, struggle over procedures and authority, particularly between OSD and the

role of DCI as head of community & DCI as DCIA not very clear
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IC Staff, is bound to continue. There are two basic alternatives for clarifying the PRC(I) decisionmaking regime. The first would in practical terms augment the authority of the PRC(I), the DCI, and the IC Staff. The second would protect the ultimate authority of departments with resources in the NFIP, particularly the authority of the Secretary of Defense.

Option A-1: Amend E.O. 11905 to Enhance PRC(I) and DCI Authority.

-- Make clear that the PRC(I) reviews, approves, ~~and~~ ^{and submits} amends the NFIP, as a whole and at any level of detail it deems appropriate; it submits the Program ~~and~~ Budget to OMB and the President.

Program not submitted, budget is.

-- Make clear that PRC(I)-approved NFIP program and budget decisions are "fenced" against alteration by program managers and their departmental or agency superiors. Departmental efforts to alter the impact of PRC(I) decisions on their programs are expected to be rare and made only ^{after approval by PRC(I) or} through explicit appeal to the PRC(I), the NSC, or the President.

-- Clearly authorize the DCI and his staff to deal directly and candidly with national intelligence program managers in departments and agencies, regardless of location, on program and budget matters, to gather data, conduct studies, examine resource options, etc.

-- Clearly charge the PRC(I) to monitor budget execution to ensure conformance with the intent of the budget it formulated ~~and control~~ ^{and which Congress approved.}

Provide authority to all reprogramming

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-- Oblige the PRC(I) to conduct as soon as possible, ^{and periodically thereafter,} a thorough review of all intelligence and intelligence-related activities of the government to establish, with some prospect of stability, the scope and contents of the NFIP.

While leaving the PRC(I) process fully collegial in character, these kinds of changes to E.O. 11905 would add to its perceived and actual authority and also enhance the leading role of the DCI and his Community Staff. Their logic is that the DCI-led process will allow for a broad view of national intelligence resources as a whole, that the DCI and his staff are best equipped to appreciate the needs of national intelligence consumers and their resource implications.

By the same token, such measures would ~~more~~ clearly ^{limit} ~~compromise~~ ^{traditional} the statutory responsibility of departments to manage their own programs and budgets. Within Defense, they would make more difficult, although not impossible, a complete cross-Defense rationalization of national, departmental, and tactical programs. Over time, they ^{could} would encourage Defense to keep multipurpose intelligence activities in Defense out of the NFIP, and perhaps to invest ^{may stimulate} in intelligence programs ^{under the fiction of} ~~that are~~ ^{being} uniquely departmental or tactical in character, even though options to serve national intelligence goals might be available.

^{Periodic PRC(I) review would be necessary to prevent unwarranted duplication of responsibilities}
None of these measures would in themselves ease the difficult task of finding analytic methods for relating long-term intelligence needs to programs and budgets on a thoroughly

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^{as well as providing a}
^{DCI entries future overlap}

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cross-program or intelligence-wide basis. Efforts in this direction would be possible and encouraged. ~~But the ease and practicality of dealing directly with the details of sensor-oriented programs under this regime could well continue to distract attention from more comprehensive analysis of the NFIP.~~

Option A-2: Amend E.O. 11905 to Protect Departmental Authority.

-- Make clear that PRC(I) decisions are not "fenced" against alteration by departmental or agency authority. It would be the responsibility of the DCI, as Chairman of the PRC(I), to appeal disputes to the NSC and the President.

-- Stipulate that department heads may determine the means and extent of access by the DCI and his staff to departmental programs with respect to resource issues. This would not preclude the direct access permitted in Option A-1, at departmental discretion, but would recognize departmental authority to control it.

-- Leave to department heads the ultimate decision as to what program elements are to be included in the NFIP and thus subject to thorough PRC(I) review, with the DCI able to appeal such decisions to the NSC or the President.

This regime need not in principle lead to substantially different kinds of interactions than those of the first option,

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since the process would remain collegial and depend, in both cases, on the cooperation and common purposes of the participants. It is not immediately obvious that the two options would lead to different resource decisions. It is clear, however, that in the second case the Secretary of Defense, managing the substantial majority of NFIP assets, would find it easier to serve Defense's intelligence interests and to assess all DOD intelligence resources in Defense terms, i.e., across national, departmental, and tactical areas within Defense. The DOD would have a heavier obligation itself to reconcile its views and interests with those of the entire Community. Meanwhile, the PRC(I) mechanism might be encouraged to concentrate its attention on larger and longer-term resource issues spanning the whole NFIP. Through expert staffing and judicious appeals to the NSC, the DCI could still have considerable influence on departmental program and budget decisions.

Under the second option, however, it is reasonably likely that the PRC(I) process would dwindle to an essentially advisory role to the departments. For want of effective impact, its members and their staffs would give it decreasing attention. Moreover, the various mechanisms to create a community approach to intelligence management used over the past few years have demonstrated the limitations of influence without the reinforcement of authority. When the DCI exerts influence only (with no authority to back it up) he runs into the same problems, tactical applications during national systems (i.e., [redacted]) etc.

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